

Exhibit E:  
**Annual Loan Purchase Narrative Reporting Template**

FREDDIE MAC  
 RURAL HOUSING  
 2022  
 LOAN PURCHASE

**ACTIVITY:**

1 – High-Needs Rural Regions: Regulatory Activity

**OBJECTIVE:**

A – Increase Single-Family Loan Purchases in High-Needs Rural Regions

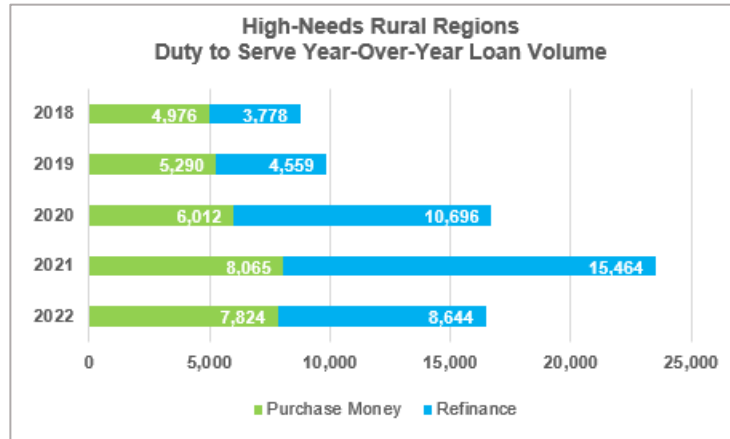
**SUMMARY OF RESULTS:**

	Loan Count			UPB (\$MM)
<b>Baseline</b>	10,527			-
<b>2022 Target</b>	12,800-13,850			-
<b>2022 Volume</b>	16,468			\$2,420
<b>2022 Volume by AMI</b>	≤ 50%: 3,152	> 50-80%: 8,062	> 80-100%: 5,254	

Freddie Mac exceeded our 2022 target under this objective, helping more people in high-needs rural regions (HNRR) achieve sustainable homeownership than forecasted in our Plan. This was the fifth consecutive year in which we exceeded our purchase target and increased liquidity in this market.

In total, we provided more than \$2.4 billion in liquidity to fund 16,468 qualifying loans in HNRR in 2022, surpassing our baseline by 56% (by volume) and the top of our target range by 19%. Of this volume, 68% comprised loans made to households with low incomes, a 4% increase from the previous year.

Of our total 2022 volume in this market, 48% of loans were for home purchases and 52% were for refinances, as shown in the following chart. Rapidly rising interest rates along with high inflation and the continued shortage of homes for sale led to a 3% year-over-year drop in purchase-money loan volume. The interest rate environment also made refinancing less attractive to borrowers, many of whom already have mortgages with lower rates. As a result, refinance volume dropped 44% from the exceptional number of refinance loans that we purchased in 2021; refinances as a percentage of total volume in this market started to move toward a more historical level in 2022.



We drove loan purchases through extensive outreach to our lenders and efforts to educate industry professionals on how using our products and resources can help them grow their businesses. This included providing technical assistance to small lenders that are not approved Freddie Mac sellers – enabling them to gain access to the secondary mortgage market through aggregators. We also actively engaged with our larger lenders to make them aware of opportunities to boost their support for HNRR by serving as aggregators for smaller lenders and selling the aggregated loans to us.

We delivered this level of effort and exceeded our purchase target in the face of changing market and economic conditions. Freddie Mac, lenders, housing intermediaries, and other industry participants continued to adjust our priorities and ways of working as needed, while fulfilling our business purposes. Our results reflect our collaboration, creativity, and commitment to this market.

**SELF-ASSESSMENT RATING OF PROGRESS:**

- Target met
- Target exceeded
- Objective partially completed
- No milestones achieved

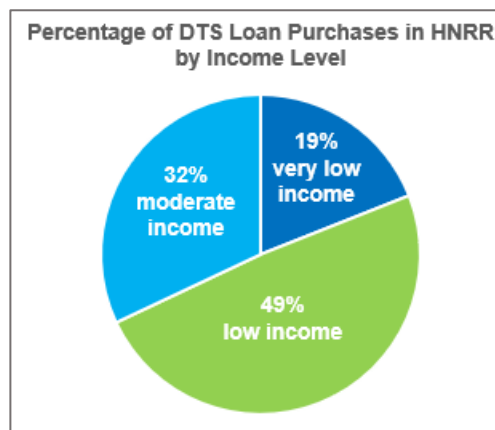
**IMPACT:**

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact

**IMPACT EXPLANATION:****1. How and to what extent were the actions or deliverables under this objective impactful in addressing the applicable underserved market's needs, or in laying the foundation for future impact in addressing the underserved market's needs?**

Freddie Mac provided liquidity, access to the secondary market, and opportunities to achieve sustainable homeownership in high-needs rural areas, while contending with rising home prices and interest rates in 2022.

Despite low inventory of affordable homes, rising home prices, rising interest rates, and high inflation in 2022, our loan purchases expanded affordable lending to people who most need greater access to credit. More than two-thirds of our loan purchases in HNRR benefited households with very low and low incomes, increasing 4 percentage points over 2021. In addition, 1% more of our purchases helped households buy their first homes, compared to 2021.



Our success under this objective reflects our leadership and commitment to increasing lending and sustainable homeownership opportunities in high-needs rural regions:

- Conducted extensive industry outreach and education to raise awareness, adoption, and usage of our offerings, which we rolled out based on industry input to fill market needs, increase efficiencies, and support more borrowers.
- Enabled more lenders to sell loans to us, including expanding access to the secondary mortgage market to smaller lenders through aggregators.
- Held our fourth Rural Research Symposium, bringing together leaders from across the housing industry to share research and insights that could lead to rural housing solutions.

Because of our efforts, Duty to Serve has had a very large impact in HNRR since our program began in 2018:

- More lenders have access to the secondary market, more financing options, and more confidence in lending in HNRR.
- Obstacles to rural appraisals and lending have been lowered.
- Non-profit housing agencies have more capacity to fulfill their missions.
- More people are prepared for responsible homeownership.
- The affordable lending ecosystem works more effectively.
- More than \$10 billion flowed to HNRR, financing 75,308 homes.

**2. What did the Enterprise learn from its work about the nature of the underserved market’s needs and how to address them?**

We learned that, while economic headwinds affected most housing markets in 2022, rural markets experienced an added strain: large numbers of people opting to move into those areas in response to work and lifestyle changes precipitated by the coronavirus pandemic, thereby increasing competition for already constrained housing supply and further reducing housing affordability. Research from the Federal Reserve Bank of Cleveland found that migration into smaller towns and rural areas doubled from 2020 to 2021 and remained high in 2022. Construction activity has remained too low to help narrow the housing supply gap, driving up home prices. Rapidly rising interest rates added significantly to the cost of buying a home and inflation cut into household finances. All of this occurred in areas that historically have less economic opportunity than other parts of the nation. Consequently, buying a home became a longer stretch for many potential homebuyers.

To support homebuying opportunities in this environment, Freddie Mac continued to conduct outreach and provide education to industry professionals on our offerings that expand affordable lending and responsible access to credit. We also continued and increased our work with lenders of all sizes to help make it easier for them to sell loans to us directly or indirectly. As a result of our commitment, we helped more individuals with very low and low incomes buy homes and a larger percentage of people buy their first homes than in 2021. We also expanded opportunities for lenders to sell loans into the secondary market, reducing their risk and increasing market liquidity.

**3. Optional: If applicable, why was the Enterprise unable to achieve the Plan target?**

Not applicable.